

SPECIAL PROJECT NEEDS AGREEMENT

for the

**SHELL ALBIAN OILSANDS SUITE OF
PROJECTS – LEASE 13**

SPECIAL PROJECT NEEDS AGREEMENT

ENTERED INTO THIS 20th DAY OF APRIL, 2016

BY AND BETWEEN:

**THE COORDINATING COMMITTEE OF REGISTERED EMPLOYERS'
ORGANIZATIONS**

(hereinafter referred to as "the Coordinating Committee")

- and -

THE BUILDING TRADES OF ALBERTA

(hereinafter referred to as "the Council")

(Collectively, the "Parties")

WHEREAS Shell Albian Oil Sands [the "Owner"] intends to construct a series of capital works, expanding and/or sustaining the Muskeg River Mine and Jack Pine Mine on Lease 13 [the "Projects"].

AND WHEREAS the Special Project Needs Agreement (the "Agreement") will provide for an uninterrupted supply of quality trades people for the duration of the Project, bridging any labour negotiations or disruptions which may take place in the general construction industry;

AND WHEREAS the Agreement is a recognition of organized labour as a key stakeholder in the overall success of the Project;

AND WHEREAS this Agreement will provide a forum through which key stakeholders including contractors, unionized labour and client may address issues of mutual concern;

AND WHEREAS this Agreement is beneficial to all of the stakeholders in terms of communications and working relationships;

AND WHEREAS the Owner has invited the Coordinating Committee and the Council to establish this Agreement as set out below;

AND WHEREAS the Coordinating Committee and the Council have entered into this Agreement on behalf of the Employers' Organization and the Local Union as set out below;

AND WHEREAS it is the expressed intention of all of the parties hereto that the execution of this Agreement in no way detracts from the bargaining authority of any Employers' Organization or any group of Trade Unions pursuant to a Registration Certificate or otherwise, nor does it in any way act as a surrender of any bargaining authority that any such group may hold.

NOW THEREFORE IT IS AGREED that the Council, the Coordinating Committee, the Employers’ Organizations, and the Local Unions have, based on the mutual understandings set out above, entered into the following terms and conditions of employment.

A. BASIC AGREEMENTS

1.00 Scope and Definition

The Collective Agreement shall govern the relationship in respect of the major capital facilities as part of the Project, except as is modified by this Agreement.

- 1.01 This Agreement shall be attached to and form part of each of the referenced Provincial Construction Collective Agreements between the respective registered employers’ organizations and groups of trade unions. This Agreement shall only apply in respect of Employers and employees engaged in General Sector of the construction industry.
- 1.02 This Agreement is intended to cover Capital Works undertaken as part of the Project. Capital Works are set out in Appendix 1, which schedule shall be amended and updated from time to time in consultation with the Owner. This Agreement does not apply to work which is not “construction” work and does not apply to exploration or related works at or near the Project.

2.00 Purpose

The parties to this Agreement recognize and understand the specific labour relations needs of the Project and, accordingly, have entered into this Agreement for the purpose of ensuring those needs are met. The parties understand that the special and peculiar needs of the Project include:

- (a) The need to recognize that the socio-economic commitments for the Suite of Major Projects are to:
 - i) carry out the Project in a way that enhances the positive socio-economic effects and reduces the negative effects, while maintaining Project economics and the ability to execute the Project;
 - ii) provide many direct and indirect opportunities to the people of the Regional Municipality of Wood Buffalo (RMWB), as well as other Canadians;
 - iii) ensure that individuals, communities and businesses in the Project region have full and fair opportunity to participate in the benefits of the Project;
- (b) The need to ensure that construction of the Project shall proceed safely, efficiently, economically, and without interruption;
- (c) The need to ensure qualified and interested aboriginal and northern non-aboriginal residents working on the Project are treated in a fair, equitable and respectful manner while working on the Project;

- (d) The need to ensure that all employees respect the rights and preferences of local communities;
- (e) The need to ensure that all employees understand and respect the unique culture of those peoples who reside in the north;
- (f) The need to recognize that the execution of the Project will present unique and unusual challenges regarding the ability of the Parties to meet demands for the supply of skilled labour in a timely manner; and that the Parties will need to develop creative solutions to meet these challenges;
- (g) The need to establish and maintain harmony between the negotiation and administration pursuant to this Agreement and the collective bargaining and relevant Provincial Collective Agreement (“Collective Agreement”) administration pursuant to Registration Certificates and bargaining authorizations in the balance of the Construction Industry in Alberta.
- (h) The need to maintain harmonious relations between the Project construction work force other workforces in other construction and other activities on the said site, so that the effectiveness of all of the said work forces is enhanced.
- (i) The need to foster work practices which will yield cost effectiveness and high quality results, and fair compensation for all participants for productive and quality workmanship.
- (j) The need to establish and preserve stability and harmony in the labour management relationships among the parties and the employers and employees engaged on the Project, so that differences and problems are resolved expeditiously and so that inefficiencies, interruptions, and confrontations are not tolerated.
- (k) The need to enhance the early participation on the Project and the work experience of the qualified trades people and construction workers that are resident in the areas of the Project.
- (l) The need to increase the level of safety in the construction industry and on the Project particularly.
- (m) The need to provide for mechanisms through which the Project will be unaffected by any disruptions that may result from collective bargaining pursuant to registration certificates and authorizations to bargain collectively throughout the general and specialty sectors of the construction industry.

3.00 Application of Subsequent Collective Agreements

- 3.01 The provisions of this Agreement shall continue through to the conclusion of the Project notwithstanding that such may take place after the expiry date of the existing Collective Agreement. It is the intention of the parties that the work encompassed by this Agreement shall continue without abatement by strike, lock-out, work slowdowns, or any other action designed to limit output.
- 3.02 As collective bargaining, pursuant to a Registration Certificate or otherwise, may take place in the construction industry which will affect terms and conditions of

employment save and except where the same are provided for in this Agreement such variations in the resulting Collective Agreement shall be picked up for the Project. Any applicable changes will be effective for the purposes of this Agreement as and when such changes become effective pursuant to the resulting Collective Agreement.

- 3.03 In the event a referenced Collective Agreement ceases to be in effect during any period during which this Agreement remains in effect, then the applicable provisions of the most recent Collective Agreement shall apply, until such time as a renewal agreement is entered in to by the Employers' Organization and the Local Union or the successors of either.
- 3.04 Each Employers' Organization and each counterpart Local Union agree that, by this Agreement, each is estopped, for the duration of this Agreement, from attempting to change, alter or vary the terms of this Agreement.
- 3.05 Each Employers' Organization and each counterpart Local Union agree that should it attempt to change, alter or vary the terms of this Agreement or to propose that this Agreement not be attached to and form part of a renewal collective agreement concluded in respect to any such round of construction collective bargaining, that the other Party or the Council or the Coordinating Committee is entitled to obtain an immediate injunction or declaration or other order from a court or other decision making body which will permanently prohibit any attempt to change, alter, or vary this Agreement, or to require the offending Party to propose that this Agreement be included in any renewal agreement so concluded.
- 3.06 Each Employers' Organization and each counterpart Local Union undertake to propose to the other and to agree with the other that this Agreement will be attached to and form part of the Collective Agreement that will be concluded pursuant to any round of construction collective bargaining entered into or initiated during any period during the duration of this Agreement.
- 3.07 Each Employers' Organization and each Local Union understand that representatives of the Coordinating Committee and of the Council together may negotiate changes to this Agreement. The said changes shall, after ratification by both the Coordinating Committee and the Council, be applicable pursuant to this Agreement. Such ratification shall be through whatever ratification process the Coordinating Committee and the Council shall each determine.

4.00 Application Under Part 3, Division 8 of the Alberta Labour Relations Code
In the event that Owner, at its discretion, applies pursuant to Part 3, Division 8 of the Code to have the Project or any part thereof designated pursuant to Section 196 of the Alberta Labour Relations Code and provided that under such designation the then existing terms of the Collective Agreements between the respective Local Unions and the Registered Employers' Organizations as modified by this

Agreement, are designated as the Collective Agreement between the Principal Contractor and the affected Trade Unions, then the signatories to this letter will support such designation application, and the Parties hereto and those bound by this Agreement, agree that the terms of such Project Collective Agreement or Agreements will, insofar as they apply to those Local Unions, Employers and Employees, consist of the then existing or most recent Collective Agreement or Agreements as modified by this Agreement.

5.00 No Bargaining Relationship for the Owner or the Managing Contractor, if one is designated.

5.01 It is understood by the parties hereto that no bargaining relationship is created by the Owner, or the Managing Contractor if one is designated, or any subsidiaries and affiliates and their successors, or any of its project partners, with the Local Union, the Council, or any affiliate of the Council, by voluntary recognition or by action of law pursuant to Section 176 of the Alberta Labour Relations Code.

5.02 Similarly, where the Owner (or Managing Contractor) has participated in any way in the processes and administrative matters contemplated in this Agreement, it is only for the purposes of this document and the enhancement of the Project and in no way can be construed to be creating a bargaining relationship, extending a voluntary recognition or taking actions which, by action of law, would bind the Owner (or Managing Contractor), to any Collective Agreement with the Local Union, the Council, or any affiliate of the Council.

5.03 Where the Owner is mentioned in this document, the terms shall be taken to mean the person or persons designated by Owner, if any, in respect to participation in the administration of portions of this Agreement, wherever that context is appropriate.

6.00 Duration

6.01 This Agreement shall become effective the 1st day of January, 2014. This Agreement shall remain in effect and shall apply to affected Employers and employees in respect to the Project on which they are engaged, until, in respect to the work or any portion of the work to be performed by an Employer in respect to the Projects, the date on which such work or component portion has been completed or the Owner has taken or assumed possession of such work or component portion, whichever is later. In the event construction is carried out by an affected Employer on the Project or component portion after possession is taken or assumed by the Owner, then this Agreement shall continue to apply to such construction work.

7.00 Review of Project Terms

This Agreement shall be reviewed by the Parties from time to time in consultation with the Owner. Any modifications to this Agreement resulting from a review shall be subject to the ratification provisions set out in article 3.07.

8.00 Liaison Committee

- 8.01 A Liaison Committee shall be established which shall meet on an informal basis at the call of any of the parties signatory hereto, to discuss matters of mutual interest pertaining to the Project and/or this Agreement, with the objective of promoting and maintaining beneficial relations and cooperation between the parties, and of ensuring the achievement of the purposes of this Agreement. The Liaison Committee will meet at least twice per year.
- 8.02 The Committee shall consist of representatives of the Employer(s), each of which shall be designated by the Coordinating Committee and the Executive Director or his designate and business representatives of the affiliates of the Council, each of which shall be designated by the Council. Irrespective of the number of representatives designated by the respective parties or of the number which participate in any meeting of the Committee, the Liaison Committee members designated by the Council and those designated by the Coordinating Committee shall have equal numbers of votes. The parties agree that the Owner and / or its designee are entitled to participate in the affairs of the Liaison Committee. Persons appointed to the Liaison Committee by Owner will be entitled to participate fully in the proceedings of the Committee but will not be entitled to vote.
- 8.03 The responsibilities of the Liaison Committee shall include:
- (a) Establishing terms of reference for the Liaison Committee giving due recognition to the language and intent and purposes of this Agreement.
 - (b) Establishing rules of procedure for the Liaison Committee to carry out its responsibilities.
 - (c) Establishing processes to ensure that decisions of the Liaison Committee that affect this Agreement are recommended to the parties for incorporation into this Agreement.
 - (d) Establishing methods of resolving issues that the parties to and the persons bound by this Agreement are unable to quickly resolve.
 - (e) Assisting in the development, implementation and administration of initiatives towards the enhancement of quality and productivity.
 - (f) Addressing differences between any parties engaged on the Project respecting whether certain work is or is not “construction”.
 - (g) Dealing with such matters as are referred to it by this Agreement.
 - (h) Establish and implement programs and measures to accelerate the training and mentoring of supervisors, and candidates for supervisory positions.

It is the intention of the parties that the Liaison Committee shall provide for joint stewardship of key performance measures by labour, contractors and owner groups including, without restricting the generality of the foregoing, safety, quality, cost, productivity and schedule. It is also the intention of the Parties that the Liaison Committee will be respectful of the collective bargaining, collective agreement administration and other bargaining agency roles and responsibilities of the Employers' Organizations and of the Local Unions.

9.00 Notice

Notice given to any of the parties hereto shall, unless otherwise specified in this Agreement, be sufficient if in writing and delivered to or sent by postage prepaid registered first class mail, to the last known address of the parties, or sent to a facsimile transmitter number (with a report confirming transmission). In the absence of an express provision to the contrary, the delivery of any statement or document to any of the parties shall be sufficient if delivered in person, or if mailed by postage prepaid registered first class mail to the last known address, and shall be deemed to be received on the earlier of the actual date of receipt or the seventh (7th) day after being mailed, or if a facsimile copy is transmitted by telecommunication device to the last known facsimile transmitter number in which event the document shall be deemed received on the date of that confirmed transmission. Each of the parties hereto shall keep the others informed as to a change of address, facsimile or phone number.

B. HARMONY PROVISIONS

The parties agree that in order to achieve appropriate working relationships amongst the various employers and Local Unions working on any work to which this Agreement apply, the following conditions shall apply and if any conflict exists between these conditions and the terms of the Collective Agreement between the Employers' Organization (or where there is no Employers' Organization respecting a trade jurisdiction, the Employer or Employers) and the Local Union, this Agreement shall prevail:

10.00 Hours of Work and Scheduling

10.01 The hours of work shall be as set out in the Collective Agreement with forty (40) hours being the regular work week. In order that there should be consistency on the site between various affiliates of the Council, the following hours of work and scheduling prerogatives shall apply:

- (a) The following Articles are intended to identify regular hours of work, shift hours, and overtime hours and are not to be construed as a guarantee of hours of work per day, per week, or with respect to days of work in any week.
- (b) The regular work week shall consist of forty (40) hours of work. The start time for a regular working day or a compressed work week day will be between 6:00 and 8:00 a.m.
- (c) Recognizing that it may be necessary to establish schedules that accommodate flights to and from the Project for workers from Alberta, workers from other Canadian Provinces, or for Temporary Foreign Workers that may be employed on the Project, the Owner, the Managing Contractor, or all or some of the contractors affected by this Agreement may institute the work schedules under Schedules attached to this Agreement. Certain of these Schedules will be referred to as "Fly-in Fly-out Schedules" and will apply to all workers who utilize flights arranged for the purposes of transporting workers to and from the Project. Workers on fly-in fly-out schedules will not be entitled to initial or terminal travel provisions or turn-around provisions under their respective Provincial Collective Agreement. Alternative Fly-in Fly-out work schedules may be developed by the Parties provided such are ratified by the Coordinating Committee and by the Council, through whatever ratification process the Coordinating Committee and the Council shall each determine.
- (d) In addition to the scheduling prerogatives above, the Owner, Managing Contractor, or the Employer may select form among the work cycles in Schedules 1 through 4.

- (e) When the final day of the shift cycle in Schedules 1 through 4 is reduced due to the timing of flights, overtime at time and one half shall apply to the last one and one half hours worked on that day.
- (f) The Employer may also schedule shifts for which the start times are between 12:00 noon and 4:00 a.m. To be classified as shift work rather than as overtime, such shifts must be scheduled for at least one (1) regular work week. The premium(s) for any such second ("evening") or third ("night") shifts shall be in accordance with the provisions of the Collective Agreement. In no event shall the hourly rate be greater than the applicable overtime rate plus shift differential. The provisions of this clause (e) shall be reviewable annually by the Council and the Coordinating Committee on each anniversary of this Agreement.

10.02 **Reporting for Work**

The Parties are committed to delivering value for paid time. Accordingly,

- (a) Unless some other reporting location is designated by the Employer, employees shall be in attendance at their work station and prepared to commence work at the scheduled starting time for their respective shifts.
- (b) Employees shall be diligent in respecting start times, shift completion times, lunch periods and rest break periods.

10.03 **Variances**

The parties recognize that variations in the scheduling of the work week, reporting for work or returning from work, rest breaks, meal breaks and start and finish times may be appropriate from time to time, and that it may be appropriate that such variations affect all or only a portion of the Project. Any variations that are not permitted by the above Articles may be established by resolution adopted by the Liaison Committee.

10.04 **Shift Cycles**

Other shift cycles, and the premium pay in respect to such cycles, may be established by the Parties, and will become effective such are approved by the Liaison Committee or ratified by the Coordinating Committee and by the Council, through whatever ratification process the Coordinating Committee and the Council shall each determine.

10.05 **Site Closures**

In consultation with the Liaison Committee, the Owner or the Managing Contractor may require that periods are scheduled during which construction activity on the site will be suspended during such periods as the Christmas/New Year's period, and it may also be required that the continuance of the activities of certain employees or groups of employees whose presence on the site is necessary during such periods may be scheduled.

10.06 Furloughs

Work performed, at the employer's request, during a period of furlough (a furlough being a minimum of seven days) shall be compensated at double time.

10.07 Vacations

Employees will be granted up to two weeks' vacation annually upon reasonable notice requesting such vacation. No more than twenty-five percent of the members of a crew may be on vacation at any given time.

10.08 Overtime on Designated Days Off

Except in emergency situations, in consideration of the extended work schedules and the remoteness of this project, a worker shall have the prerogative of declining a request to work overtime on a Designated Day Off.

10.09 Room Changes on Furloughs

Where a worker is requested to change rooms or camps by the Employer or the client's designated camp manager during a work cycle they will be paid two hours at regular rates of pay to carry out the move. This provision will not apply where a worker is required to pack their room at the end of a work cycle or to facilitate a move that will occur during the worker's furlough.

10.10 Show Up Time

Workers who qualify for show up time, subject to whatever conditions and criteria may be set out in the Collective Agreement, shall receive two hours at their straight time rate.

11.00 Transportation and Travel

11.01 Bus Transportation

(a) Where air transportation is not practical for workers on Schedule 1 through 4 bus transportation and \$150 per return trip will be provided in lieu of air transportation. (This allowance shall be adjusted in January 2017 and 2018, in the same manner as adjustments to initial, return and rotation allowances are calculated in the Collective Agreement.) Turnaround provisions will not apply. If bus transportation is not provided, initial and return allowances will apply in accordance with the terms and conditions of the Collective Agreement. Rotation allowances shall be paid in accordance with the Collective Agreement; however shall be paid each work cycle.

(b)The Owner or their designate, or the Employer or groups of Employers providing the transportation, will determine where and when bus routes are established. Such will be guided by the provisions of the Provincial Collective Agreements.

11.02 Air Transportation

- (a) Where flights are provided and Schedules 1 through 4 are worked:
- i) Flights are provided to pre-determined destinations at the conclusion of each fly-in fly-out cycle with ground transportation provided from the site/camp to the designated air terminal. Return flights to the work site will be provided from the pre-determined destinations to the site or designated air terminal and ground transportation will be provided from the air terminal to the project site/camp.
 - ii) Where a worker, who resides within the zone for flights, opts not to use the plane flights and provides his/her own transportation to and from Fort McMurray he/she shall receive rotation allowance, in accordance with the collective agreement, after each furlough.
 - iii) All employees not utilizing the flight arrangements will have transportation provided, at no cost to the employees, between the designated Fort McMurray area pick-up locations and their respective camps at the beginning and end of each furlough. All employees are required to maintain a camp residence during their shift and to vacate the camp during their furlough. No daily transportation will be afforded between the start and end of each shift.

11.03 Local Residents:

Local residents would receive daily bus transportation (weekly per cycle if the project location required them to be in camp) at no cost. Travel conditions regarding free zone will be in effect.

11.04 Transportation for Terminated Workers

Workers who are laid off will be provided with return transportation by air if on a fly in fly out schedule or by bus if appropriate at the earliest practical opportunity following lay-off. Workers who are not local residents who quit or who are terminated for cause will be provided with bus transportation to Edmonton.

11.05 Owner's Travel and Accommodation Policy

A policy setting out provisions for travel, surface and/or air transportation, and accommodations will be published by the Owner or the Managing Contractor, (or if the Employer or a group of Employers are providing the air transportation, such policy shall be published by the Employer or group of Employers) and amended from time to time. The policy shall address transportation for local residents, other members of the local unions, people from elsewhere in Canada, and temporary foreign workers. The policy shall also address parking locations for workers for whom air transportation is not provided, and the transportation from such locations

to the camp or Project. Disputes respecting the application of that policy will be resolved using the umpire process articulated in that policy.

12.00 Mid-Shift Meals for Camp Residents

Notwithstanding the provisions of Article XI of the Camp Rules and Regulations or its successor agreement, camp residents will be provided with a bagged meal for their mid-shift meal. Arrangements for such meals and any pre-order systems shall be established between a representative of the Council and a representative of the Coordinating Committee, in consultation with the Owner. The contents of the bagged meal shall be addressed, as appropriate, by the Liaison Committee.

13.00 General Holidays

13.01 In order to achieve uniformity in application for all trades under the scope of this Agreement where the observance of a designated day off in conjunction with a General Holiday is not dealt with in a manner consistent with article 13.02, then the applicable referenced collective agreement will be deemed to contain the provisions of article 13.02.

13.02 General Holidays will be observed as follows:

- (a) A General Holiday that falls on a day that, but for the General Holiday, is a day that would have been scheduled for work, the General Holiday will be observed on that date. That day will become a day off, or if worked, compensated at double time. If the Employer schedules work on Labour Day or Remembrance Day, each worker will have the option of working on the holiday, and the Union shall not discourage any worker from working on the holiday. A worker will not be disciplined for not work on Labour Day or Remembrance Day if the workers advised the Employer at least three working days prior to the holiday of the worker's intention to take that day off.
- (b) A General Holiday that falls during a "vacation", or during a "furlough" (being one or more weeks off following a work cycle of consecutive weeks), will be deemed to have been observed on the day on which it falls, and will not affect the date of the return to a work cycle nor the rate of pay for that date.
- (c) "Designated Days Off" will be defined in the respective Schedules. A General Holiday that falls on Designated Day Off that is not a vacation or a furlough, will be observed on the next scheduled work day. The date on which a General Holiday is observed will become a day off, or if worked, will be compensated at double time.

14.00 Pre-Job Conferences

There shall be a pre-job conference and mark-up in respect of each contract awarded. An Employer who is engaged in the capacity of a principal contractor shall notify the Council of all contracts awarded which come within the scope of this Agreement. Mark-ups will be provided by the Employer to the Council.

15.00 Local Residents, Aboriginal Residents and Women

The early and continued participation of local residents, members of the local aboriginal communities, and women, is desirable; accordingly, the parties agree to optimize employment and training opportunities for such qualified local residents, members of the local aboriginal communities, and women under this Agreement.

16.00 Apprentice Ratio

The Parties agree to cooperate in attaining the optimal training and deployment of apprentices on the Project and will accept persons qualified to become apprentices to fill the journeyman/apprentice ratio where there is a shortage of registered apprentices. The employment of apprentices (within regulatory requirements and limitations), will be promoted throughout the duration of the job, and shall provide for a spectrum of apprentices from the first year through to fourth year (as appropriate to the respective trade).

17.00 Geographical Priority of Workers

The Parties are committed to working co-operatively to identify, recruit and employ workers in the following geographical order of priority in the employment of workers on the Project: 1. Local; 2. Alberta; 3. Canada; 4. North America; 5. beyond North America. The Parties recognize that “front-end” work will be required among them to maximize the use of North American workers.

18.00 Hiring

- 18.01 In addition to the hiring procedures that are set out in the Collective Agreement, the Local Union shall also use its best endeavours to ensure that those engaged on the Project do not have to travel in order to pick up their dispatch or referral slips. The Union shall make every effort to use facsimile transmission, courier service or some other efficient means to avoid unnecessary travel, transportation and delay.
- 18.02 A process to facilitate the training, development and effective utilization of Supervision including site foremen will be developed in accordance with Appendix 2.

19.00 Lay-offs

The Parties recognize the substantial effort and cost involved in recruiting workers from out of Province to the Project but it is also accepted that workers within the local unions from Alberta expect consideration in terms of job retention on Alberta projects. Therefore a lay-off protocol designed to balance these two interests will be developed as per Appendix 2.

20.00 Project Enhancements

Policies designed to enhance project performance, in terms of employee skills, supervisory skills, health and safety (including measures to address substance use and abuse), worker satisfaction, worker retention, productivity, effective training and employment of apprentices, mentoring, attendance, and other value-adding initiatives, shall be developed by the parties and implemented on the Project.

21.00 Successor Organizations

This agreement assigns rights, roles and responsibilities to the Coordinating Committee and/or to the Council. In the event the Coordinating Committee ceases to exist or to represent the Employers' Organizations listed in Appendix 3 or the successors to any of them, the rights, roles and responsibilities assigned herein to the Coordinating Committee shall be carried out by the signatory Employers' Organizations, or the successors to any of them, collectively. In the event the Council ceases to exist or to represent the Local Unions listed in Appendix 3 or the successors to any of them, the rights, roles and responsibilities assigned herein to the Council shall be carried out by the signatory Local Unions, or the successors to any of them, collectively.

22.00 Jurisdiction

This agreement shall be governed by the laws of Alberta.

Schedule 1 – Ten On/Four Off Work Cycles

Workers who will be provided with flights to and from the Project at the beginning and end of each work cycle, will be subject to the following schedule;

1. Work cycles may commence on a Monday, Tuesday, or a Wednesday of any week.
2. A work cycle will consist of ten consecutive work days, each of which will consist of a shift of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
3. In each shift the first hour of work and the ninth and tenth scheduled hours of work will be paid at time-and-one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The seven regularly scheduled hours of work in between the first scheduled hour of work and the ninth scheduled hour of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
4. Each work cycle will be followed by four scheduled days of rest. The combination of the ten scheduled work days followed by the four scheduled days of rest will be referred to as a “ten and four cycle”.
5. Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement.
6. A worker who is transferred to a work cycle with a different start day must be provided with a minimum of two scheduled work days’ notice. If the worker has requested the transfer, then overtime rates will not apply for days worked in the scheduled four days of rest. If the transfer is not as a result of a worker request, the worker shall be given a minimum of the scheduled four days of rest, or overtime provisions will apply for days worked, as a result of such transfer, during the scheduled days of rest the worker would have been entitled to under their previous schedule.
7. Overtime meals will be as per the provisions of the applicable Provincial Collective Agreement.
8. Notwithstanding article 11.01(a) and section 3 above, a worker for whom neither air nor bus transportation is available shall be paid:
 - (a) Straight time for the first ten hours on scheduled week days (Mondays, Tuesdays, Wednesdays, Thursdays and Fridays);

- (b) Double time for work on weekends (Saturdays and Sundays);
- (c) Time and one half for any unscheduled week days worked;

These workers shall be eligible for the travel and transportation provisions in the Collective Agreement.

9. A worker to whom paragraph 8 is applicable shall be excused from working the weekend within the cycle if the worker gives the employer at least three working days' notice prior to the weekend of the worker's intention to take the weekend off.

Schedule 2 –Six-Ten Work Week Cycles

Workers who will be provided with flights to and from the Project at the beginning and end of each work cycle, will be subject to the following schedule;

1. Work cycles may commence on any day of the week.
2. A work cycle will consist of five consecutive work weeks, each of which will consist of six regularly scheduled days of work followed by one regularly scheduled day of rest. Each work day within a work week will consist of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two paid fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
3. In each shift the first one and one-half scheduled hours of work and the ninth and tenth scheduled hours of work will be paid at time-and-one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The six and one-half regularly scheduled hours of work in between the first one and one-half scheduled hours of work and the ninth scheduled hour of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
4. Each work cycle will be followed by seven consecutive scheduled days of rest, a “furlough”. The combination of the five scheduled work weeks followed by the seven scheduled days of rest will be referred to as a “six and one cycle”.
5. Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement.
6. A worker who is transferred to a work cycle with a different start day must be provided with a minimum of two scheduled work days’ notice. If the worker has requested the transfer then overtime rates will not apply for days worked as a result of the transfer. If the transfer is not as a result of a worker request, the worker shall be given a minimum of a seven day furlough. Where a seven day furlough is not provided, overtime provisions will apply for days worked, as a result of such transfer, for each day less than the seven day furlough.
7. Overtime meals will be as per the provisions of the applicable Provincial Collective Agreement.

- 8.** Temporary Foreign Workers (TFW) will work on the same schedule and be paid on the same basis as out of Province workers however they will work 24 weeks in followed by their choice of two or four weeks out. This will be referred to as a “TFW Cycle”. Travel arrangements for TFWs will be worked out with the workers involved as part of the agreement between the workers and their employers. Flights will be provided to a Canadian International Hub airport such as Toronto or Vancouver. Flight arrangements beyond that will be subject to any agreement between the contractor and the workers and will be beyond the scope of this Agreement.

Schedule 3 - Modified Twenty and Eight (19 of 20 worked, 8 off)

1. A work cycle will consist of nineteen ten hour days, worked within a twenty day period, followed by eight days off.
2. In each shift the first one and one-half scheduled hours of work and the ninth and tenth scheduled hours of work will be paid at time-and-one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The six and one-half regularly scheduled hours of work in between the first one and one-half scheduled hours of work and the ninth scheduled hour of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
3. Each work day will have a one-half hour unpaid lunch break occurring at approximately mid shift and two fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
4. A day of rest will be scheduled by the Employer on the second Sunday within the cycle, and shall be a “Designated Day Off”.
5. Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement.
6. The eight days off shall be considered a “furlough”.
7. A worker who is transferred to a work cycle with a different start day must be provided with a minimum of two scheduled work days’ notice. If the worker has requested the transfer then overtime rates will not apply for days worked as a result of the transfer. If the transfer is not as a result of a worker request, the worker shall be given a minimum of a seven day furlough. Where a seven day furlough is not provided, overtime provisions will apply for days worked, as a result of such transfer, for each day less than the seven day furlough.

Schedule 4 - Fourteen On / & 7 Off

- 1** A work cycle will consist of 21 consecutive days, each of which will consist of fourteen regularly scheduled days of work followed by seven regularly scheduled days of rest. Each work day within a work week will consist of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two paid fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
- 2** In each shift the first one and one-half scheduled hours of work and the ninth and tenth scheduled hours of work will be paid at time-and-one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The six and one-half regularly scheduled hours of work in between the first one and one-half scheduled hours of work and the ninth scheduled hour of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
- 3** Each work cycle will be followed by seven consecutive scheduled days of rest, a “furlough”. The combination of the fourteen scheduled days of work followed by the seven scheduled days of rest will be referred to as a “fourteen and seven cycle”.
- 4** Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement.
- 5** A worker who is transferred to a work cycle with a different start day must be provided with a minimum of two scheduled work days’ notice. If the worker has requested the transfer, then overtime rates will not apply for days worked as a result of the transfer. If the transfer is not as a result of a worker request, the worker shall be given a minimum of a seven day furlough. Where a seven day furlough is not provided, overtime provisions will apply for days worked, as a result of such transfer, for each day less than the seven day furlough.
- 6** Overtime meals will be as per the provisions of the applicable Provincial Collective Agreement.

Appendix 1 - Capital Works

1. Subject to the exceptions in paragraph 2, “Capital Works” means the construction work in respect to the Project carried on or near the lease or leases held by the Owner in the Wood Buffalo Region north of Fort McMurray.

These projects include but are not limited to:

- i. Capital projects associated with improving reliability, bitumen recovery, throughput and performance of existing plant processing facilities including projects within the ore preparation, extraction, froth, utilities and tailings facilities.
 - ii. Capital projects associated with sustaining and / or improving reliability of existing operations related to management of slurries, tailings and water. Typically, scopes of work include infrastructure installation (i.e. in pit / out of pit pipelines, booster pump houses, barges / dredges, water treatment systems, earth works, water cut-off, access roads, high voltage distribution, etc.) which are required to support mine advance operations and ongoing operations.
 - iii. Capital projects associated with tailings and water and habitat regulations which need to be implemented to satisfy either existing regulatory commitments as well as any new regulatory directives.
2. Capital Works shall specifically exclude the following:
 - (a) construction work in respect to any contracts awarded
 - (i) to non-Building Trades affiliated contractors, or
 - (ii) prior to the date this Agreement has been entered into unless specifically included by the Owner or Managing Contractor.
 - (b) work performed by the Owner’s own forces, contractors and their subcontractors on activities associated with Plant operations and maintenance.
 - (c) project-related work performed, unless otherwise designated by the Owner for any supply or distribution pipelines
 3. “Capital Works” pursuant to this Agreement will be deemed to be completed when the Owner has assumed possession of such work or component portion. If a contractor performs construction work in respect of an aspect of the project after it is assumed by the Owner, then the Owner may choose to declare that this agreement also applies to that work.
 4. The Owner (or Managing Contractor) may amend this schedule in its discretion.

Appendix 2 - Other Issues

1. **Lay off Protocol:** - In the event of a layoff affecting Contractors working on the Project covered by this Agreement, the following protocol will be followed;
 - a. **Voluntary Lay-Offs** – Workers on the Project may be offered the opportunity to exercise the option to accept a voluntary lay-off when there are lay-offs planned on the Project affecting their trade. In such cases this option will be offered to Local Union members first, travel card members second, and workers on permits third.
 - b. **Leave of Absence** – As another option, workers on the Project may be offered the opportunity to exercise the option to take a Leave of Absence from the Project when there are lay-offs planned on the Project that would affect their trade. In such cases this option will be offered to Local Union members first, travel card members second, and workers on permits third. Should the leave of absence extend beyond fourteen days in duration the Worker may request a lay-off.
 - c. **Transfers** – In a situation where one contractor is planning to lay-off workers on the Project and workers in the same trade working for other contractors working on the Project have opted to accept a Voluntary Lay-Off or Leave of Absence as stipulated in (a) or (b) above, or in cases where there are unfilled calls for workers in that trade on the Project, transfers between contractors covered by the terms and conditions of this Project Agreement will be allowed, except that there will be no transfers between the construction site(s) and fabrication shops. The offer to accept a transfer under these circumstances will be made to Local members first, travel card members second, and workers on permit third.
 - d. **Lay-Offs** – Except as modified above, all lay-offs will be carried out in accordance with the terms of the applicable Registered Provincial Collective Agreement. It is understood that where a contractor on the Project is planning a lay-off of workers, workers in the trade where the lay-off is planned who are working for that contractor on the Project under a Labour Market Opinion will be subject to first lay-off unless they are able to be transferred under Clause (c) above.
 - e. **Delays in Transfers** – When a transfer under (c) above is planned but time is required to complete the transfer, the affected worker(s) will be allowed to stay in camp or remain on Subsistence, at no cost to the worker, until the completion of the transfer to a maximum of seven calendar days unless an extension is granted by the Owner or Managing Contractor or party with whom the camp manager is contracted.

2. **Supervision:** It is in the interests of the Parties to this Agreement to promote the training and development of foremen and other supervisors to manage the extensive amount of work contemplated for Alberta. Training and mentoring of supervisors will be facilitated and encouraged on the Project within the scope of this Agreement. Workers showing leadership potential will be encouraged to accept the role of foreman as needed on the Project

and will be provided with the training and mentoring to make them successful. Where it is not feasible to meet the needs for supervision on site from within the ranks of Alberta tradesmen, or in those situations where there are special language situations that need to be considered, the Parties to this Agreement will establish a protocol for insuring that supervisory needs are met having due regard for the need to maintain safety, productivity, quality, and a working environment that will promote the attraction and retention of workers.

Further work on the protocol for meeting Supervisory needs, or amendments as necessary to the Lay-Off Protocol above, may be carried on through the Liaison Committee(s) established for the Project or such other sub-committee as the Parties may agree to utilize.

Appendix 3 - Employers’ Organizations and Local Unions

1. This Schedule of collective agreements is attached to and forms part of the Agreement for the Project.
2. In the event any of the noted registration certificates is revoked during the term of this Agreement, or in the event there is a change in the employers’ organization authorized to carry on bargaining for a representative group of employers, representatives of the Council and of the Coordinating Committee shall meet with the affected Local Union and the affected Employers to identify the Employers’ Organization which shall then be referenced. Failing agreement by these representatives, the question of which Employers’ Organization shall be referenced shall be decided by a single arbitrator appointed by agreement of the Coordinating Committee and the Council, who shall render a decision within one (1) week of his appointment.
3. For each of the below listed trade jurisdictions, the Local Union which shall be referenced shall be the Local Union or Unions having territorial jurisdiction over areas in which work is carried on pursuant to the Project Terms.

Trade Jurisdiction	Parties	Registration Certificate
General Construction Boilermakers:		#7
	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, Lodge #146, and Boilermaker Contractors’ Association of Alberta	
General Construction Carpenters:		#51
	United Brotherhood of Carpenters and Joiners of America, Locals #1325, and #2103, and Construction Labour Relations - An Alberta Association Carpenters (Provincial) Trade Division	
General Construction Cement Masons:		#43
	Operative Plasterers’ and Cement Masons’ International Association of the United States and Canada, Local #222, and Construction Labour Relations - An Alberta Association Cement Masons (Provincial) Trade Division	
General Construction Electricians:		#52
	International Brotherhood of Electrical Workers, Local #424, and Electrical Contractors Association of Alberta	
General Construction Insulators:		#9
	International Association of Heat and Frost Insulators and Asbestos Workers, Local #110, and Construction Labour Relations - An Alberta Association Insulators (Provincial) Trade Division	

- General Construction Ironworkers - Reinforcing: #47
International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers, Locals #720 and #725, and Construction Labour Relations - An Alberta Association Ironworkers - Reinforcing (Provincial) Trade Division
- General Construction Ironworkers - Structural: #48
International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers, Locals #720 and #725, and Construction Labour Relations - An Alberta Association Ironworkers - Structural (Provincial) Trade Division
- General Construction Labourers: #57
Construction and General Workers' Local #92 and Construction and Specialized Workers' Local #1111, and Construction Labour Relations – An Alberta Association Labourers (Provincial) Trade Division
- General Construction Millwrights: #49
Millwrights, Machinery Erectors and Maintenance Union, Local 1460 of the United Brotherhood of Carpenters and Joiners of America, and Construction Labour Relations - An Alberta Association Millwrights (Provincial) Trade Division
- General Construction Operating Engineers: #24
International Union of Operating Engineers, Local Union No. 955, and Construction Labour Relations - An Alberta Association Operating Engineers (Provincial) Trade Division
- General Construction Painters: #58
International Union of Painters and Allied Trades, Local #177, and Alberta Coating Contractors Association
- General Construction Plasterers: #64
Operative Plasterers' and Cement Masons' International Association of the United States and Canada, Local #222, and Construction Labour Relations – An Alberta Association Plasterers (Provincial) Trade Division
- General Construction Plumbers and Pipefitters: #27
United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, Locals #179, #488, and #496, and Construction Labour Relations - An Alberta Association Mechanical (Provincial) Trade Division

General Construction Roofers: #59
Construction and General Workers' Local #92, Sheet Metal Workers' International Association, Local #8, and United Brotherhood of Carpenters and Joiners of America, Local #1325, and Construction Labour Relations – An Alberta Association Roofers (Provincial) Trade Division

General Construction Sheet Metal Workers: #18
Sheet Metal Workers' International Association, Local #8 and Construction Labour Relations - An Alberta Association Sheet Metal (Provincial) Trade Division

General Construction Sheeters, Deckers and Cladders: #13
Sheet Metal Workers' International Association, Local #8 and Construction Labour Relations - An Alberta Association Sheeters, Cladders and Deckers (Provincial) Trade Division

General Construction Teamsters: #25
General Teamsters Local Union No. 362 Affiliated With The International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, and Industrial Contractors Association of Alberta

Effective Date:

This Special Project Needs Agreement has been declared to be effective on the 20th day of April, 2016 pursuant to the provisions of the Letter of Understanding for Special Project Needs Agreements as attached to and forming part of the Collective Agreements between each of the above named Parties.